Decline in revenue collection

†718. SHRI MOTILAL VORA: Will the Minister of FINANCE be pleased to state:

(a) whether there has been a decline in revenue collection of direct and indirect taxes at some of the centres during the first six months of the current financial year in comparison to the last years;

(b) if so, the details thereof; and

(c) the reasons for less revenue collection and the steps taken by Government to remove the shortfall?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRI PAD YESSO NAIK): (a) So far as direct taxes are concerned, net collection has shown an overall increase of 12.38% over the last year's collection. However, there has been a decline in revenue collection in some of the centres during the first six months of the current financial year in comparison to last years. As far as indirect taxes are concerned, the comparison of revenue collection at Commissionerate level may not be possible due to recent restructuring of the field formations.

(b) The details of the centres where there has been a decline in direct taxes collection are as under:

0) Ahmedabad

(ii) Jalandhar (iii)

Patiala (iv)

Nagpur (v)

Patna

(c) As regards direct taxes, issue of huge refunds resulted in decline in revenue collection in some centres. The steps taken by Government to remove the shortfall include annual action targets with special emphasis on collection of arrear demands, monitoring of Advance Tax Collection and Tax Deducted at Source. As regards indirect taxes, all possible steps are being taken to maximise the growth in revenue collection.

Switching over to RTGS for high value denominations

719. SHRI DINA NATH MISHRA: Will the Minister of FINANCE be pleased to state:

†Original notice of the question was received in Hindi.

(a) whether R.B.I, is working upon a plan to do away with cheques of high-value denominations and switch over to Real Time Gross Settlement System;

(b) if so, the details thereof;

(c) whether safeguards against hackers are inbuilt in the system; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Under Payment System reforms, Reserve Bank of India is introducing the Real Time Gross Settlement System (RTGS) for inter-bank fund transfer to minimise settlement risks and eliminate systemic risks. Cheques will not be used under the RTGS System as it is an electronic and message based credit transfer system. While all inter-bank fund transfer transactions will require to be mandatorily put through the RTGS System, customer-based inter-bank fund transfer transactions will be put through at the option of the customers only.

The settlement will take place on gross basis, transaction by transaction only and will be final and irrevocable. Cheques will not be used under this system. However, there is no proposal to ban the use of cheques for high value transactions.

(c) and (d) The RTGS system provides for the state-of the art security features through digital signature and encryption, which takes care of authorisation, authentication, confidentiality and non-repudiation in respect of RTGS transactions. The various security features implemented under the RTGS System are as under:—

* The RTGS System can be accessed only through the Indian Financial Network (INFINET) which is a 'Closed User Group' Network for the banking and financial sector.
* The RTGS message will be signed and encrypted using the digital certificates issued under the provisions of the Information Technology Act, 2000.'
* Access to the RTGS System will be through use of PIN and Smart Card.